

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 10064-G
GAS AND ELECTRIC COMPANY)	

O R D E R

On July 1, 1988, the Commission issued its Order in Case No. 10064 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas supply clause ("GSC") set forth therein.

On December 28, 1989, Louisville Gas and Electric Company ("LG&E") filed its quarterly GSC, which is to become effective February 1, 1990 and is to remain in effect through April 30, 1990.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) LG&E's notice of December 28, 1989 set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on to its customers the wholesale increase in gas costs from its supplier in the amount of 1.976 cents per 100 cubic feet, including take-or-pay billings. LG&E's expected gas cost for the quarter beginning February 1, 1990 is 31.054 cents per 100 cubic feet, or \$3.1054 per Mcf.

(2) LG&E's notice reflected no refund factor due to the expiration of all previous refund factors and the lack of current quarter refunds. The lack of a refund adjustment causes an increase in retail rates of .005 cents per 100 cubic feet over last quarter.

(3) LG&E proposed a current quarter actual adjustment of (.515) cents per 100 cubic feet to compensate for overrecovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of August, September, and October 1989. The total actual adjustment of (.863) cents per 100 cubic feet, which is designed to correct the current overrecovery as well as under- and over-collections from three previous quarters, results in a .459 cent per 100 cubic feet decrease in LG&E's retail rates from last quarter.

(4) LG&E proposed a balance adjustment in the amount of .016 cents per 100 cubic feet, which replaces the previous adjustment of .012 cents. This balance adjustment compensates for under-collections which occurred as a result of previous actual and balance adjustments. The effect on retail rates is a .004 cent per 100 cubic feet increase.

(5) The combined effect of the above adjustments is LG&E's proposed total gas supply cost component of 30.207 cents per 100 cubic feet, an increase over its last approved GSC of 1.526 cents per 100 cubic feet, or 15.26 cents per Mcf. This increase represents the combined effect of the supplier increase, actual, balance, and refund adjustments.

(6) The adjustment in rates set out in the Appendix to this Order, determined under the GSC provisions approved by the Commission in its Order in Case No. 10064 dated July 1, 1988, is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1990.

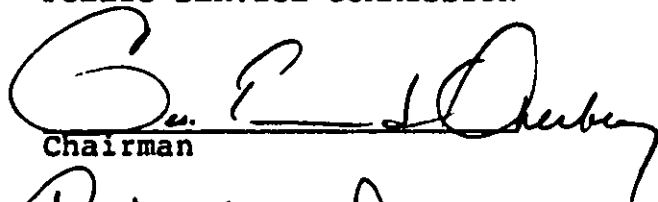
IT IS THEREFORE ORDERED that:

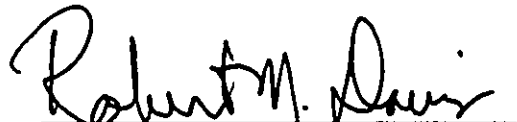
(1) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after February 1, 1990.

(2) Within 30 days from the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 10064-G DATED 1/31/90

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Gas Supply Cost Adjustment

The total Gas Supply Cost Component shall be 30.207 cents per 100 cubic feet during the period covered by the bill.

The base rates for the future application of the gas supply cost adjustment clause of Louisville Gas and Electric Company shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$4.32	282.05¢